



PRESS RELEASE

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IRS – Criminal Investigation

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Former U.S. Citizen Pleads Guilty to Tax Fraud Related to Swiss Financial Account

*Used Hong Kong Entity and Foreign Accounts in Switzerland, Monaco and Singapore to
Conceal Funds*

A former U.S. citizen residing in Switzerland pleaded guilty today to one count of filing a false income tax return, announced Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division and U.S. Attorney Dana J. Boente of the Eastern District of Virginia.

"U.S. taxpayers have been given ample opportunity to come forward, disclose their secret foreign accounts, and come into compliance," said Acting Assistant Attorney General Ciralo. "Those individuals and entities who rolled the dice in the hope of remaining anonymous are facing the consequences. The Tax Division remains committed to investigating and prosecuting individual taxpayers with undeclared foreign financial accounts, as well as the financial institutions, bankers, financial advisors and other professionals who facilitate the concealment of income and assets offshore. And as today's guilty plea clearly indicates, the department's reach is well beyond Switzerland."

According to court documents, in 2006, Albert Cambata, 61, established Dragonflyer Ltd., a Hong Kong corporate entity, with the assistance of a Swiss banker and a Swiss attorney. Days later, he opened a financial account at Swiss Bank 1 in the name of Dragonflyer. Although he was not listed on the opening documents as a director or an authorized signatory, Cambata was identified on another bank document as the beneficial owner of the Dragonflyer account. That same year, Cambata received \$12 million from Hummingbird Holdings Ltd., a Belizean company. The \$12 million originated from a Panamanian aviation management company called Cambata Aviation S.A. and was deposited to the Dragonflyer bank account at Swiss Bank 1 in November 2006.

"IRS Criminal Investigation will continue to pursue those who do not pay the taxes they owe to the United States," said Special Agent in Charge Thomas Jankowski of the Internal Revenue Service-Criminal Investigation, Washington, D.C. Field

Office. "Today's plea is a reminder that we are committed to following the money trail across the globe and will not be deterred by the use of sophisticated international financial transactions that hide the real ownership of income taxable by the United States."

On his 2007 and 2008 federal income tax returns, Cambata failed to report interest income earned on his Swiss financial account in the amounts of \$77,298 and \$206,408, respectively. In April 2008, Cambata caused the Swiss attorney to request that Swiss Bank 1 send five million Euros from the Swiss financial account to an account Cambata controlled at the Monaco branch of Swiss Bank 3. In June 2008, Cambata closed his financial account with Swiss Bank 1 in the name of Dragonflyer and moved the funds to an account he controlled at the Singapore branch of Swiss Bank 2.

In 2012, Cambata, who has lived in Switzerland since 2007, went to the U.S. Embassy in Bratislava, Slovakia, to renounce his U.S. citizenship and informed the U.S. Department of State that he had acquired the nationality of St. Kitts and Nevis by virtue of naturalization.

U.S. District Judge Claude Hilton of the Eastern District of Virginia set sentencing for April 15. Cambata faces a statutory maximum sentence of three years in prison and a fine of up to \$250,000. As part of his plea agreement, Cambata agreed to pay \$84,849 in restitution to the Internal Revenue Service (IRS).

Acting Assistant Attorney General Ciraolo and U.S. Attorney Boente thanked special agents of IRS-Criminal Investigation, who investigated the case, and Assistant Chief Todd Ellinwood of the Tax Division and Assistant U.S. Attorney Mark D. Lytle of the Eastern District of Virginia, who prosecuted the case.

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